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USDOC FOR 3150/USFCS/OIO/CEENIS/MCOSTA
USDOC FOR 532/OEE/MO'BRIEN

E.O. 12958: N/A
TAGS: [BEXP](#) [ETRD](#) [ETTC](#) [RS](#)
SUBJECT: EXTRANCHECK: PRE-LICENSE CHECK:
KIRISHINEFTEORGSIINTEZ, KIRISHI, RUSSIA, LICENSE NO.
D368112

REFTEL: USDOC 06594

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

¶2. Reftel requested a Pre-license check to determine the legitimacy and reliability of the end-user, Kirishinefteorgsintez, Kirishi, Russia. The company is listed on BIS license application D368112 as the ultimate consignee of 10-inch Monel plug valve. These items are controlled for chemical or biological warfare reasons under ECCN 2B350. The licensee is Xomox Corporation, 4444 Cooper Road, Cincinnati, OH ¶45242.

¶3. On January 30, 2007, Export Control Attache Donald Pearce and FSN Natalya Shipitsina conducted the requested pre-license check at the offices of Kirishinefteorgsintez (Russian acronym KINEF), Shosse Entuziastov 1, Kirishi, Russia. The export control team met with Aleksandr Mamrov, Head of Foreign Trade Department.

¶4. KINEF was founded in 1966 as an oil and petroleum refinery. With a throughput of over 20,000,000 tons per year, KINEF is one of the largest refinery operations in Russia. KINEF has 60 production lines for gasoline, benzene, diesel, Jet-A, aromatics and other petroleum products, and can support rail, tanker and pipeline transportation and distribution. The company sells half of its output on the Russian market, and exports the remainder worldwide. In 1993 KINEF became a daughter company of Surgutneftegas, and currently operates as a Limited Liability Company, and employs 6500 at its Kirishi refinery complex.

¶5. KINEF is in the construction stage of a 2,000,000,000 USD project to construct a hydro cracking facility, at an area about 5 km from the main plant in Kirishi. Most of the equipment for the new plant has been imported from Europe, Asia and the United States. Hydro cracking is a catalytic cracking process that allows the production of light petroleum products such as jet fuel, liquefied petroleum gas (LPG) and gasoline products from heavy crude distillation fractions. The process to be utilized at the facility is licensed from Chevron, and ABB Lummus Global is participating in the design and fitting of the plant. Mr. Mamrov projects the creation of an additional 6000 jobs as the hydro cracker facility

comes online.

¶6. The plug valve in reftel will be utilized at the hydro cracker facility. The plant will be on an extension to the grounds of the KINEF facility. An armed security force is on duty at all times at KINEF facilities, and access to the refinery is restricted. While thousands of employees will have access to the valve, it is a critical part and any theft would be quickly noticed. Security cameras and intrusion detection devices monitor all perimeter walls and fences, along with "additional methods," upon which Mr. Mamrov would not expand.

¶7. Recommendations: Post recommends Kirishinefteorgsintez, Kirishi, Russia, as reliable recipients of sensitive U.S. origin commodities. It is requested that post be notified of final disposition of the application, and of any shipments for this organization in order to conduct appropriate FCS follow-up and statistical reporting.
(FCS MOSCOW/ SBOZEK /DPEARCE)
BURNS